

SENATE BILL 4127

By Burks

AN ACT to enact the "Tennessee Back to Class Act of 2008" and to amend Tennessee Code Annotated, Title 4, Chapter 51 and Title 49, Chapter 4, Part 9, relative to postsecondary financial assistance from net lottery proceeds. This act makes appropriations for programs awarding postsecondary financial assistance from state lottery proceeds for seven fiscal years beginning with the fiscal year beginning July 1, 2008, and ending with the fiscal year beginning July 1, 2014.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§ 49-4-9__.

(a) This section shall be known and may be cited as the "Tennessee Back to Class Act of 2008".

(b) To be eligible for a Tennessee back to class grant, a student shall:

(1) Not be ineligible for the scholarship under § 49-4-904;

(2) Be classified as an in-state student under the rules of the Tennessee board of regents or the University of Tennessee system on the date of application for the grant;

(3) Have not been enrolled in any postsecondary institution for at least two (2) years prior to application for a Tennessee back to class grant;

(4) Have not received a baccalaureate degree from any postsecondary institution;

(5) Be within thirty (30) semester hours of graduation from an eligible four-year postsecondary institution with a baccalaureate degree;

(6) Be admitted to and enroll in an eligible four-year postsecondary institution determined under subdivision (5) as a full-time student; and

(7) Apply for all nonrepayable postsecondary financial assistance for which the student is eligible.

(c) A student shall be eligible for the receipt of one (1) Tennessee back to class grant. To be eligible for continuation of the Tennessee back to class grant in a semester subsequent to the first semester of receipt of the grant, a student shall maintain continuous enrollment in the eligible postsecondary institution and maintain satisfactory progress in the student's course of study in accordance with the standards and practices used for federal Title IV programs by the postsecondary institution.

(d) A Tennessee back to class grant shall consist of two (2) distinct parts--the renewing education grant and the graduation threshold grant.

(1) TSAC shall make payment of the renewing education grant to the eligible postsecondary institution upon the enrollment and attendance of a grant recipient. The renewing education grant shall be applied only to the costs of tuition and required fees. The renewing education grant shall be the lesser of:

(A) Three thousand dollars (\$3,000) per academic year; or

(B) The difference between tuition and required fees and all nonrepayable postsecondary financial assistance that may be applied to tuition and required fees.

(2) Upon declaring intent to graduate with a baccalaureate degree as required under the rules of the eligible postsecondary institution attended, a recipient of a Tennessee back to class grant shall be awarded the graduation threshold grant payable by TSAC to the student as additional postsecondary

financial assistance for the semester in which the student shall graduate. The graduation threshold grant shall be two thousand dollars (\$2,000).

(e) No retroactive award of either part of a Tennessee back to class grant shall be made under this section.

(f) Grants awarded under this section shall commence with the 2008-2009 academic year. No grant shall be awarded under this section in any academic year after the 2013-2014 academic year.

(g)

(1) The "Tennessee back to class grant fund" shall be established as a separate account in the state treasury. Amounts remaining in the fund at the end of each fiscal year shall not revert to the lottery for education account or the general fund but shall remain in the fund. Moneys in the fund shall be invested by the state treasurer pursuant to title 9, chapter 4, part 6 for the sole benefit of the fund. All earnings attributable to such investments shall be credited to the fund.

(2) On July 1, 2008, the amount of one hundred million dollars (\$100,000,000) shall be transferred from the lottery for education account to the Tennessee back to class grant fund.

(3) In any fiscal year, all funds in the Tennessee back to class grant fund, both principal and accrued earnings, shall be appropriated as a direct and continuing appropriation to TSAC for the award of scholarships under this section.

(4) After payment of all grants awarded for the 2013-2014 academic year, any funds remaining in the Tennessee back to class grant fund shall be transferred to the lottery for education account.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall be repealed thirty (30) days after the last Tennessee back to class grant awarded under this act has been paid.